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97TH CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 97-762

COMPLETED

EXPORT ADMINISTRATION ACT AMENDMENT

AUGUST 18, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ZABLOCKI, from the Committee on Foreign Affairs, submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany H.R. 6838]

[Including cost estimate of the Congressional Budget Office]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 6838) to amend the Export Administration Act of 1979 to terminate certain export controls imposed on December 30, 1981, and June 22, 1982, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

On December 30, 1981, and June 22, 1982, under authorities granted by the Export Administration Act of 1979, the President, justifying his action "for reasons of U.S. foreign policy," (1) imposed export restrictions on oil and gas transmission, refining, and related equipment and technology destined for the Soviet Union from U.S. firms, their foreign subsidiaries, and their foreign licensees, and (2) suspended consideration of all license applications for exports to the Soviet Union.

The purpose of H.R. 6838 is to rescind those export restrictions on oil and gas equipment, and to reinstiute case-bycase consideration by the executive branch of applications for exports to the Soviet Union. H.R. 6838 makes no change in restrictions on exports of goods and technology which would contribute to Soviet military capability. Licenses would continue to be required for oil and gas exploration and production equipment, as well as advanced technology controlled in order to protect U.S. national security. Such licenses could be granted or denied on a case-by-case basis at the discretion of the President under the Export Administration Act.

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Committee Action

The Committee on Foreign Affairs and its subcommittees have received numerous briefings and conducted several hearings on Soviet oil and gas projects and U.S. controls on proposed exports to those projects, including a joint hearing of the Subcommittees on Europe and the Middle East and on International Economic Policy and Trade on May 25, 1982, closed joint briefings of the two subcommittees by Assistant Secretary of State Robert D. Hormats on May 27, 1982, and by Under Secretary of State James L. Buckley on June 8, 1982, and hearings by the Subcommittee on Europe and the Middle East on February 9, March 9, April 29, and July 21, 1982.

H.R. 6838, a bill to rescind these controls, was introduced on July 22, 1982, by Messrs. Findley and Bonker, members of the committee, and was subsequently referred to the Subcommittee on International Economic Policy and Trade. The subcommittee conducted a hearing on the bill on August 4, receiving testimony from Under Secretary of State Buckley, Under Secretary of Commerce Lionel H. Olmer, former Under Secretary of State George Ball, and former Deputy Assistant Secretary of Commerce Arthur Downey. By a vote of 5–2, the subcommittee reported the bill favorably to the full committee.

The Committee on Foreign Affairs took up the bill on August 10, and by a vote of 22–12 ordered it reported favorably to the House.

Background

Imposition of the sanctions

The Export Administration Act of 1979 authorizes the President to restrict and control the export of goods and technology for purposes of protecting U.S. national security or furthering U.S. foreign policy. Following the Soviet invasion of Afghanistan, existing license requirements were tightened on exports of gas and oil exploration and production equipment to the Soviet Union under section 6 of the Export Administration Act, which governs the use of export controls for foreign policy purposes. Subsequent extension of those controls to oil and gas refining, transmission, and related equipment, and suspension of Executive processing of all export licenses for the Soviet Union, have had the effect of barring U.S. companies, their foreign subsidiaries, and their foreign licensees from such Soviet oil and gas projects as the Yamal pipeline linking the Urengoi gasfields in Siberia with Western Europe, and the development of oil and gas reserves on the Continental Shelf of the Soviet island of Sakhalin being undertaken jointly with Japan. While originally discussed as part of the executive branch's effort to stop or delay construction of the Yamal pipeline, these controls on oil and gas refining and transmission equipment were imposed by the executive branch as a response to the Soviet role in the imposition of military rule in Poland. The President stated in his news conference of June 30 that "* * * these sanctions were imposed until—and we specfiied some things that we felt should be done to relax the oppression that is going on of the people of Poland by their military government. Now, if that is done, we'll lift those sanctions." Under Secretary of State Buckley, appearing before the Subcommittee on International Economic

Policy and Trade on August 4, identified the changes the United States seeks: "* * * an end to martial law in Poland, the release of all detainees, and a reestablishment of the dialogue between the Government, Solidarity, and the church."

CRITERIA FOR IMPOSING FOREIGN POLICY EXPORT CONTROLS

When invoking export controls for foreign policy reasons such as those that H.R. 6838 would rescind, the President is required by the Export Administration Act of 1979 to consider:

(1) The probability that such controls will achieve the intended foreign policy purpose, in light of other factors, including the availability from other countries of the goods or technology proposed for such controls;

(2) The compatibility of the proposed controls with the foreign policy objectives of the United States, including the effort to counter international terrorism, and with overall U.S. policy toward the country which is the proposed target of the controls;

(3) The reaction of other countries to the imposition or expansion of such export controls by the United States;

(4) The likely effects of the proposed controls on the export performance of the United States, on the competitive position of the United States in the international economy, on the international reputation of the United States as a supplier of goods and technology, and on individual U.S. companies and their employees and communities, including the effects of the controls on existing contracts;

(5) The ability of the United States to enforce the proposed controls effectively; and

(6) The foreign policy consequences of not imposing the controls.

The committee concludes that export controls on oil and gas transmission, refining, and related equipment, and technical data, and the assertion of those controls extraterritorially to subsidiaries and foreign licensees of U.S. firms, fulfill virtually none of these criteria. The Yamal pipeline, the project most directly affected by the controls, is certain to be built despite the controls, with only minimal delay or increased cost as a result of the sanctions. Even executive branch officials have indicated that the United States cannot block the construction of the pipeline, nor significantly delay it. Moreover, all affected European governments have directed U.S. subsidiaries and licensees within their jurisdiction to fulfill pipeline contracts in contravention of the U.S. controls, so the controls can be enforced only with respect to U.S. firms themselves. In view of the ineffectiveness of the controls in deterring construction of the pipeline, there is virtually no likelihood that they will significantly affect Soviet decisions or influence events in Poland.

WESTERN EUROPEAN DEPENDENCE ON THE SOVIET UNION

The sanctions on the Yamal pipeline have been argued on grounds of the dependence it will create for Western Europe on Soviet natural gas supplies and the hard currency it will bring to the Soviet Union. West Germany has contracted to purchase 10 billion cubic meters

(bcm) of natural gas from the Yamal pipeline; Italy and France have contracted for 8 bcm each. Assuming such purchases, West Germany's dependence on the Soviet Union for gas supplies could rise from 16 percent of natural gas consumption to 30 percent; Italy's dependence could increase from 24 percent to 40 percent; and France's dependence could increase from 7 percent to 30 percent. The remaining 14 bcm of the 40 bcm to be delivered by the Yamal pipeline may be purchased by Austria, Belgium, the Netherlands, Switzerland, and Spain. However, in terms of total energy needs, imports of Soviet natural gas represent only 6 percent of West Germany's total energy consumption; for Italy and France, Soviet gas accounts for 10 percent and 5 percent, respectively, of total energy consumption. The additional gas from the Yamal pipeline will increase, but not so much as double, any one country's dependence on the Soviet Union for energy.

The extent to which purchases of additional Soviet gas will actually increase the Soviets' share of the Western European energy market depends on a number of variables, including production from Western European energy resources and availability of alternative supplies, the progress of nuclear power in each country, the success of conservation programs, and the extent to which Soviet natural gas exports replace dwindling Soviet oil exports. In 1979, West Germany imported 61 percent from all sources of its total energy consumption, Italy imported 91 percent, and France imported 85 percent. (The figure for the United States was 20 percent.) Western European countries argue that the pipeline will increase their energy security because it will diversify their sources of supply by reducing their dependence on Middle East oil from 50 percent to 35 percent of total energy consumption.

The Yamal pipeline and similar Soviet projects will increase Soviet hard currency earnings (by up to an estimated $11 billion, assuming European purchases of 40 bcm). Although some of this hard currency can be expected to return to the United States, particularly in cash purchases of U.S. agricultural commodities, it nevertheless represents an increase in Soviet economic resources, the implications of which deserve critical review.

Obviously, a case can be made against any increased Western European dependence on Soviet energy resources and against Soviet earnings of hard currencies. The committee does not fault the executive branch for attempting to impress that case upon European governments. However, the committee does note that between January and early June 1982 the executive branch appeared to be abandoning its efforts to block the pipeline. Instead, the executive branch concentrated its efforts on obtaining the agreement of Western countries to charge higher interest rates in export credits to the Soviet Union. This was agreed to in principal in an OECD followup meeting after the Versailles Economic Summit. The imposition of the additional foreign policy extraterritorial export control sanctions, therefore, caught many by surprise. Furthermore, as the President imposed the controls in response to the Soviet role in instituting martial law in Poland and has stated the controls would be lifted if conditions improve in Poland, arguments regarding Western European dependence on Soviet natural gas or increased Soviet hard currency earnings are extraneous to the sanctions.

Efforts to mitigate the undesirable effects (from the U.S. point of view) of the Yamal pipeline can continue in the form of initiatives by the United States to provide supplies and supply assurances of alternative energy commodities (such as coal) to Europe, which could reduce the amount of gas the Europeans actually purchase from the pipeline. Executive branch witnesses have indicated to the committee the resolve of the United States to seek the agreement of European countries to reduce the volume of Soviet gas they will be contractually committed to purchase from the Yamal pipeline. The committee supports such efforts as a more constructive, cooperative, and promising approach to the problem of European energy dependence than the controls that would be rescinded by H.R. 6838.

EFFECTIVENESS OF ECONOMIC SANCTIONS

Nor does the committee suggest that effectiveness in achieving their stated purpose is essential to justify all foreign policy export controls. In making the statutory criteria for such controls exhortive rather than binding upon the President, the Congress, in the Export Administration Act, has recognized that situations could arise in which export controls might be justified, even though they might not be effective. Indeed, other controls have been imposed that were more symbolic than effective, including those against Rhodesia and Cuba. The committee and the Congress have supported such controls, and the committee does not preclude doing so in the future when circumstances compel controls and the costs to the U.S. economy and U.S. relations with its friends are not excessive.

The counterproductive effects, however, of controls on oil and gas transmission and refining equipment upon U.S. employment and the Atlantic community and alliance relations prompt the committee, in this case, to recommend the extraordinary action of reversing the President's exercise of foreign policy export control authority. The Department of Commerce estimates these controls will deprive U.S. firms of no less than $850 million in export contracts, at a loss of at least 25,000 U.S. jobs—many of them concentrated in areas of the country already hardest hit by unemployment. European subsidiaries and licensees of U.S. companies will lose some $1.2 billion in contracts. U.S. firms will lose several billions of dollars in follow-on contracts. Not only do these costs in business and jobs exceed those incurred in other uses of foreign policy controls, they also transfer to a relatively narrow sector of the economy and labor force the burden of our sanctions against the Soviets. Such a burden is all the more difficult to justify to those persons affected by it, both foreign and domestic, in light of the continuation for another year of a United States-Soviet grain sales agreement.

Another large, although impossible to quantify, cost of these foreign policy export controls is the damage to the U.S. reputation as a reliable supplier. Given the U.S. willingness to use trade as a foreign policy weapon, to impose our foreign policy on other countries through extraterritorial application of U.S. export controls, and to negate signed contracts, some foreign manufacturers in the future will avoid incorporating U.S. components into their designs for manufactured

goods, and will be reluctant to enter into license arrangements with U.S. firms. Commercial insurance firms throughout the world now generally refuse to insure export contracts on U.S.-origin goods against political risks because of the uncertainties in U.S. trade policy. This inability of U.S. firms to purchase insurance against political risks effectively excludes them from competing for many foreign markets. Developments like these could eventually place the United States in the position of "supplier of last resort."

EXTRATERRITORIALITY

Extraterritorial application of the U.S. controls to European firms is the most contentious aspect of the sanctions. One need only imagine the reaction in the United States if European governments attempted to block a major project considered vital to U.S. domestic security interests by cutting off supplies from European subsidiaries and licensees in the United States to appreciate the intensity of European feeling about the extraterritorial aspect of U.S. policy. Extraterritoriality adds substantially to both the perception and the fact that the U.S. controls are more of a sanction upon Europe than upon the Soviet Union.

Questions have been raised as to whether such extraterritorial controls exceed the authorities granted the President by the Export Administration Act. The committee does not challenge such Presidential authority, although it is not explicit in the act. Contracts with U.S. subsidiaries and licensees generally contain provisions acknowledging the foreign partner's obligation to abide by U.S. export regulations. Such contracts typically, however, also contain force majeur provisions which specify that assertions of sovereignty by foreign entites' host government preempt the extraterritorial application of unilateral U.S. export restrictions, thereby making U.S. export restrictions impossible to enforce upon foreign entities. European countries and Japan typically apply new export controls to future contracts, not retroactively to existing contracts, as the U.S. Government also has done in other instances.

OTHER SANCTIONS WITH RESPECT TO POLAND

In considering H.R. 6838, many members of the committee reaffirmed their desire to continue to demonstrate U.S. support for the people of Poland, the Solidarity movement, and the lifting of martial rule. It should be noted that not only do the controls proposed to be removed by H.R. 6838 offer no hope of favorably affecting the Polish situation, but other, less divisive sanctions remain in existence. Those include cutoff of further official credits to Poland, suspension of Soviet and Polish airline landing rights, termination of Polish fishing rights in U.S. waters, closure of the Soviet purchasing mission in the United States, restriction of U.S. food aid to Poland, suspension of negotiations on port access and maritime agreements, and refusal to renew United States/Soviet exchange agreements. Perhaps the most effective measures are the action of the Western countries to raise interest rates on credits issued to the Soviet Union and the decision of those coun-

tries not to reschedule Poland's 1982 debts which, in effect, precludes new loans to Poland by Western governments and banks. The committee supports continuation of those sanctions and the case-by-case denial of all militarily significant exports to the Soviet Union.

IMPACT ON THE ATLANTIC ALLIANCE

The Atlantic alliance has withstood many strains and survived persistent predictions of disintegration. The alliance is founded on fundamental security and other interests that bind Canada and the United States with its European allies. However, an experienced and respected observer of U.S.-European relations, former Under Secretary of State George Ball, testified before the Subcommittee on International Economic Policy and Trade that the pipeline controls "start us down a road toward economic warfare with our allies" and "seriously undercut the alliance and will do irreparable harm" if continued. Such assessments, combined with the unusually strong reactions of European leaders to the pipeline controls, and the presence of other severe economic conflicts between the United States and Europe, lead the committee to conclude that the controls are seriously detrimental to the alliance and that, having failed, they should not be prolonged.

SECTION-BY-SECTION ANALYSIS

H.R. 6838 amends the Export Administration Act of 1979 in order to rescind those export restrictions that were imposed for foreign policy purposes on December 30, 1981, and June 22, 1982 (1) to restrict oil and gas transmission, refining, and related equipment and technology destined for the Soviet Union from U.S. firms, their foreign subsidiaries, and foreign licensees, and (2) to suspend consideration of all license applications for exports to the Soviet Union. H.R. 6838 makes no changes in restrictions on exports of goods and technology which would contribute to Soviet military capability. Furthermore, licenses for oil and gas exploration and production equipment would continue to be granted or denied on a case-by-case basis at the discretion of the President under the Export Administration Act. H.R. 6838 in no way alters the President's authority to impose export controls for purposes of foreign policy or national security; it merely rescinds this particular decision.

REQUIRED REPORTS SECTION

COST ESTIMATE

H.R. 6838 does not authorize the appropriation of any funds and will incur no expense to the U.S. Government. The committee agrees with the statement of the Congressional Budget Office.

INFLATIONARY IMPACT STATEMENT

The enactment of this legislation will incur no cost and will have no impact on inflationary forces.

STATEMENTS REQUIRED BY CLAUSE 2(l)(3) OF HOUSE RULE XI

(*a*) *Oversight findings and recommendations*

Extensive subcommittee hearings and briefings have produced the conclusion that the sanctions rescinded by this legislation will not have the intended effect of altering Soviet behavior in Poland or in preventing the construction of the Yamal pipeline.

(*b*) *Budget authority*

The enactment of this legislation will create no new budget authority.

(*c*) *Committee on Government Operations summary*

No oversight findings and recommendations which relate to this measure have been received from the Committee on Government Operations under clause 4(c)(2) of rule X of the rules of the House.

(*d*) *Congressional Budget Office cost estimate*

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 17, 1982.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Committee on Foreign Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 6838, a bill to amend the Export Administration Act of 1979 to terminate certain export controls imposed on December 30, 1981, and June 22, 1982, as ordered reported by the House Foreign Affairs Committee on August 10, 1982.

The bill terminates certain controls on the export of U.S. goods and technology for the construction of the Soviet gas pipeline to Western Europe. It is expected that no additional cost to the government will be incurred as a result of enactment of this legislation.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

RAYMOND C. SCHEPPACH,
(For Alice M. Rivlin, Director).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 6 OF THE EXPORT ADMINISTRATION ACT OF 1979

FOREIGN POLICY CONTROLS

SEC. 6. (a) AUTHORITY.— * * *

* * * * * * *

(*l*) *TERMINATION OF CERTAIN CONTROLS.—Those export controls imposed under this section on December 30, 1981, and June 22, 1982, on goods or technology shall not be effective on or after the date of the enactment of this subsection.*

MINORITY VIEWS OF HON. WILLIAM S. BROOMFIELD, HON. EDWARD J. DERWINSKI, HON. LARRY WINN, JR., HON. BENJAMIN A. GILMAN, HON. ROBERT J. LAGOMARSINO, HON. ROBERT K. DORNAN, HON. JOHN LEBOUTILLIER, AND HON. HENRY J. HYDE

It is the view of the Minority who oppose this legislation that it is a grave error to be legislating day-to-day foreign policy. It's bad policy; it's bad legislation and especially bad timing.

The passage of this bill would not serve to correct a policy some people disapprove of. It could only be viewed as an attempt to undermine the President's legitimate role in formulating and carrying out the foreign policy of this nation. It is unlikely the other body will ever consider this legislation. If it were to take up this measure, the President would undoubtedly veto it. Even the sponsors of this bill admit the President could reimpose exactly the same sanctions that this legislation would lift if he did not veto it. So the final result of House consideration of H.R. 6838 is that this is an embarrassing display of disunity in implementing U.S. foreign policy, a slap at the President and an exercise in futility.

Aside from the principle involved, we believe the merits of the policy enunciated by the Administration are valid and appropriate as a response to the Soviet threat against Poland, Afghanistan and their flagrant violations of human rights provisions contained in the Helsinki Agreement. To lift these controls against the Soviet Union without the Soviets easing their pressure on the Polish regime removes any influence the United States might have to achieve a change in Poland.

As it stands now the martial law regime in Poland is as harsh as ever. There have been a few gratuitous gestures in releasing people. The key people have not been released—Lech Walesa is still in jail. The Pope has not been allowed to come to Poland. There is no freedom of the press, freedom of speech, or freedom of economic opportunity which Solidarity promoted earlier.

Those who are concerned about developments in the Middle East should also be concerned about the perfidious role the Soviets have played for years and continue to play in supporting the radical Arab regimes and their anti-Israeli rhetoric. We should be imposing stronger sanctions on the Soviets rather than moving to lift them.

Some would argue that the sanctions imposed by the United States have not been effective. Yet, we believe the measures announced in December and the threat of those sanctions beforehand were instrumental in conveying to the Soviets the seriousness with which we viewed events in Poland. We believe that, as a result, the Soviets decided to impose its will in Poland by means other than invasion, unlike its earlier actions against Afghanistan, Czechoslovakia and Hungary.

When President Carter reacted to the Soviet invasion of Afghanistan he imposed sanctions including agricultural sanctions and forced the United States to boycott the Moscow Olympics. President Carter got the overwhelming support of the Congress at the time and rightfully so. The Soviets are still in Afghanistan, slaughtering the tribesmen, using poison gas and biological weapons. There is no reason to reward Soviet actions either in Poland or Afghanistan by removing the sanctions the current Administration has in place.

The export controls implemented on December 30 applied only to equipment originating from manufacturing sources in the United States. As a result, the Soviet Union was still able to obtain U.S. technology from U.S. subsidiaries and licensees abroad. The controls added on June 22 served to cut off those overseas sources of U.S. technology. Although some have questioned the authority the U.S. has for extraterritorial control of technology and goods, the Export Administration Act provides for such controls. They have already been used to implement the antiboycott provisions of the law, to respond to the seizure of hostages in Iran, to protest South Africa's racial policies and to deprive Libya the means to support international terrorist activities.

Whatever the actual results are on delaying construction of the Soviet natural gas pipeline to Western Europe, the United States policy will unquestionably increase the costs for the Soviets and will have the effect of delaying the time when they would begin earning hard currency from the operation of the pipeline.

The Soviet economy is in a shambles. The Soviets have a soft currency. The only way they can limp along economically is to sell something to the West to get hard currency. The Soviets intend the Yamal Pipeline to yield them a great flow of hard currency. Anything we do to delay it two or three years would be a boon to the West; it would not be a defeat for the West. It is an asset to the West when you deprive the Soviet Union of hard currency earnings.

Many who oppose the President's decision on the pipeline argue that it is inconsistent with the decision to sell grain. On the contrary it is our belief that it is not inconsistent at all. The decision on the pipeline denies or, at least, delays the Soviets ability to earn hard currency. The sale of grain requires the Soviets to use their hard currency to purchase it from the United States. In either case, the Soviets, who are desperate to earn hard currency, will see their balance of payments adversely affected.

We recognize that these foreign policy controls have their domestic costs as well. But even recognizing these costs, we believe, and are supported by non-governmental organizations like the AFL–CIO, that the President's decision on the Yamal pipeline is the correct one as long as martial law remains in effect in Poland, political detainees continue to be held and the free trade union movement is suppressed.

Those who support this legislation argue that the intention is to get the Administration off the hook of a bad decision. We maintain instead that the President, as the result of passage of H.R. 6838, would be forced to harden his position, to assert his prerogative in formulating foreign policy. It would leave him no leeway to seek a conciliatory solution to the disagreement that has arisen between the United States and our European allies over the pipeline.

As for the question of the alleged damage to the NATO alliance of the U.S. position on sanctions, there is no such damage. There are honest differences of opinion among the allies but you will notice in the latest Middle East developments the possibility of the French and the Italians, two of the strongest critics of the President's pipeline position, joining forces with us in a multi-national peacekeeping force. It shows you that the strength of the alliance is far greater than any temporary strains.

The President of the United States, whoever he is, is the leader of the free world, and the leader of the NATO alliance. Our allies may not like some of his decisions, but when the chips are down, the U.S. President is the person they get their leadership from.

We strongly oppose this legislation and will urge our colleagues to defeat it soundly on the floor of the House.

WILLIAM S. BROOMFIELD.
EDWARD J. DERWINSKI.
LARRY WINN, Jr.
BENJAMIN A. GILMAN.
ROBERT J. LAGOMARSINO.
ROBERT K. DORNAN.
JOHN LEBOUTILLIER.
HENRY J. HYDE.

ADDITIONAL VIEWS OF HON. EDWARD J. DERWINSKI

I am opposed to this bill primarily because I consider it a politically motivated attempt to embarrass the President during a period of international tension and because it constitutes unwarranted interference by the Congress with the President's constitutional right to conduct the foreign affairs of this nation.

H.R. 6838 is. in fact. another idle gesture by a majority of my colleagues on the Committee on Foreign Affairs, who are addicted to the practice of providing our President and Secretary of State with gratuitous foreign policy advice. Of course, it stands no chance of passage by the Senate, but perhaps that is beside the point.

There are, however, a number of points to be made about this bill: First, its proponents have argued, with their usual eloquence and persuasive talents, that construction of the gas pipeline which would directly link Siberia with Western Europe would not substantially increase European economic dependence on the Soviet Union. At the same time, however, it is clear that pressure for enactment of H.R. 6838 is being generated by U.S.-based companies seeking fulfillment of their overseas contracts. Perhaps, therefore, we should politely acknowledge Western European "independence" and then concede to the world at large that the pipeline's most detrimental feature is the high degree of "dependence" it seems to have produced already in certain sectors of American industry! At least, if we faced that unpleasant truth, we would not be guilty of the sin of hypocrisy!

Another point to be stressed is that when it comes to providing the President with sound and much-needed foreign policy advice—much depends on which President the majority of our committee is advising. When the Soviets invaded Afghanistan some time back, the previous resident of 1600 Pennsylvania Avenue reacted strongly—I might even say heroically—by imposing agricultural sanctions and by boycotting the Olympics. At that time, he received the full support of the Congress—and justifiably so.

Unfortunately, I have to report to my colleagues that the Soviets are still in Afghanistan, using poison gas and weapons of that nature which I am reliably informed are not subject to any of the "freeze" proposals we hear so much about these days. They are also directing events in Poland, which means continuing the imposition of martial law. It seems to me that the principal author of this legislation who was so instrumental in persuading the President to lift the grain embargo should be satisfied with that achievement. That was detrimental enough to U.S. foreign policy without the addition of H.R. 6368!

Finally, let me address a current myth, namely that the President's "Pipeline" decision is damaging to the Atlantic Alliance. NATO, the historical record will confirm, has survived honest differences of opinion before and will do so again.... It even survived General De Gaulle's decision to withdraw French forces from the NATO command struc-

ture! Now, in the year 1982, we find that the French defense effort is unequaled by any other nation in Western Europe. In the last analysis, those European leaders who are so unhappy over the President's recent actions are the same ones who call upon the President, whichever one happens to occupy the White House at a given time, to exercise "leadership", when the "chips are down". . . . So much for the "damage" argument.

As a great Democratic President, Grover Cleveland, once observed: It is a condition which confronts us, not a theory (or words to that effect). Today's "condition" is quite clearly the result, in whole or in part, of subversion, repression or terrorism sponsored by the Soviet Union in many parts of the world. Here is a brief checklist of current Soviet policies and actions:

They are in Afghanistan in force and give no indication of departing any time soon;

They are instrumental in maintaining martial law and repression in Poland;

They have turned the small island of Cuba into an entirely Soviet-armed camp;

They are supplying the anti-democratic forces of repression in Nicaragua;

They effectively control the Ethiopian military establishment which is mounting operations against its neighbor, Somalia;

They have provided vast armament to Mr. Khaddafi in Libya—far more than that underdeveloped nation can possibly absorb;

They have sent their Cuban surrogates to Angola in order to create enhanced "stability" there;

They have long armed the PLO terrorists, whose constant military harassment of the Israeli border regions led to the current crisis we are facing in the Middle East.

Other examples could be cited, but perhaps the above will suffice. If therefore, Soviet internatioinal behavior has been improving since President Carter imposed his original sanctions (which I fully supported in my usual bipartisan fashion), it has not recently been brought to my attention.

While I, too, am determined to provide my President with the kind of foreign policy expertise and guidance, which are so regularly offered by a majority of our Committee statesmen, I happen to believe that H.R. 6868 is in the category of advice which Ronald Reagan probably can do without.

What the President really needs at this time is Congressional support for his policies and programs, not second-guessing and harassment from the Committee on Foreign Affairs.

I hope that when this bill is taken up by the full House, my colleagues will rise above short-term political expediency and vote it down. It merits defeat and then oblivion.

EDWARD J. DERWINSKI.

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